

806 KAR 19:050. Combined health and dismemberment restrictions.

RELATES TO: KRS 304.19-080, 304.19-120

STATUTORY AUTHORITY: KRS 304.2-110

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.2-110 provides that the Executive Director of Insurance may make reasonable rules and regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code. This administrative regulation prohibits the writing of both health and dismemberment insurance in connection with a credit transaction unless the debtor has a choice upon extinguishment of the debt, to receive a refund for premiums paid for the unused insurance or to continue the coverage under the unused insurance.

Section 1. No insurer shall write or issue any policy in connection with a credit transaction subject to the provisions of the insurance code, which, alone or in conjunction with of the policies, expressly written as security for a loan, provides for both health insurance and dismemberment insurance; unless the insurer shall afford to the debtor a choice, when the debt is extinguished prior to maturity at the end of the claim, to receive a refund of premiums paid for the unused insurance, or to continue the coverage afforded by such unused policy or policies. (I-19.05; 1 Ky.R. 1084; eff. 7-2-75; TAm eff. 8-9-2007; Crt eff. 2-26-2020.)